MANAGER RESEARCH | APRIL 2025

2025 Target-Date Fund Landscape

Target-date strategies have reached new highs
and have been a boon to investors.

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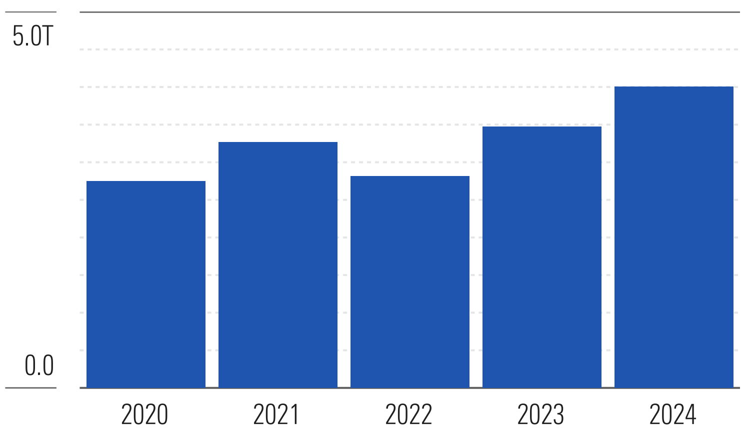
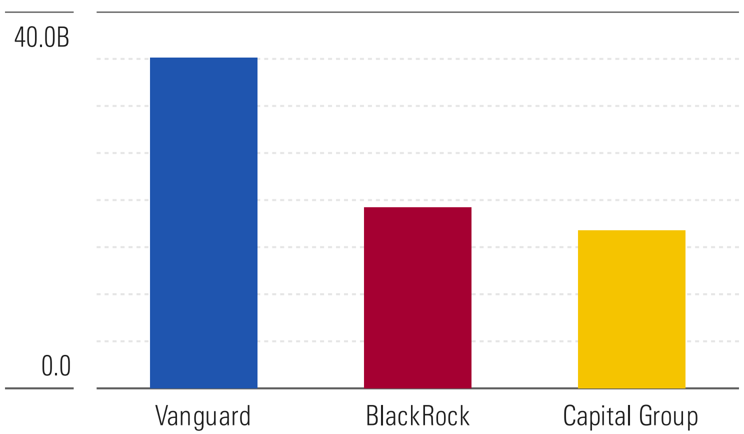
Key Takeaways

- Target-date fund assets reached a new high of $4 trillion in assets in 2024. If target-date funds were a country's gross domestic product, it would be the fifth-largest in the world, ranking behind only the US, China, Germany, and Japan.
- More important than asset growth has been how target-date funds have delivered for investors. Good government policy combined with sound theory has delivered real-world success for investors.
- Target-date collective investment trusts took over from mutual funds as the most-used investment vehicle in mid-2024; they accounted for 52% of assets at the end of 2024.
- Vanguard continues to be the winner in amassing new target-date fund assets, adding $35.1 billion in new money in 2024. Following not so closely behind were BlackRock with $19.2 billion and Capital Group/American Funds with $16.8 billion in new assets.
- After a few years of waning activity, target-date product launches picked up in 2024, almost entirely occurring on the CIT side. Among the 23 new target-date series launches, some of the more notable new CIT products were of target-date funds with built-in annuities and similar automatic income-paying options.

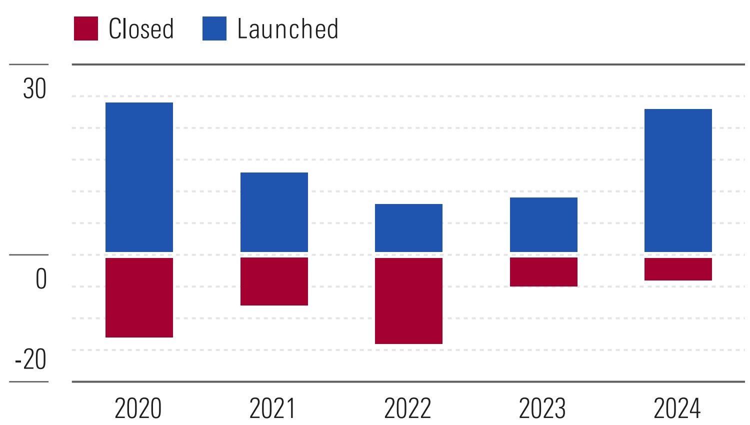
Target-Date Assets Reached $4 Trillion in 2024



2024's Target-Date Asset Flow Winners



Product Development Picked Up in 2024



Source: Morningstar Direct, author's calculations, and surveyed data. Data as of Dec. 31, 2024.

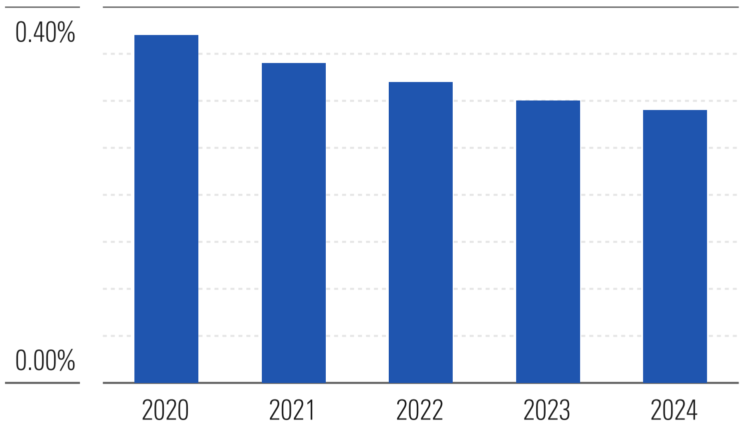
Key Takeaways, Continued

- Target-date mutual fund fees eked out new lows in 2024, with their asset-weighted fee dropping to 29 basis points from 30 basis points the year prior. Over the past decade, fees have declined by 48%.
- As the least expensive target-date funds approach their lowest feasible prices, their cost advantage has diminished. A decade ago, for example, the cheapest quintile 2055 target-date funds had a cost advantage of 39 basis points over middle quintile funds. This has narrowed to 28 basis points in 2024.

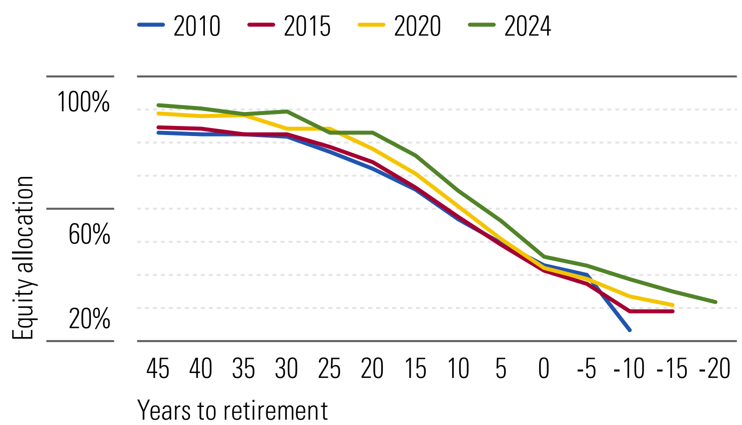
- The asset allocation glide paths that form the figurative backbone of target-date funds have become more aggressive over time. At the end of 2024, the average equity allocation for workers just beginning their careers stood at 92%. A decade prior, it was 85%.
- The difference between the most and least aggressive target-date asset allocation glide paths has narrowed, as offerings have converged and become more alike than different.

- Three target-date strategies rated by Morningstar Manager Research analysts saw Pillar rating changes:
    - BlackRock LifePath Dynamic received a Process Pillar upgrade to High from Above Average.
    - John Hancock Multimanager Lifetime series received a downgrade of its Process Pillar to Below Average from Average.
    - MassMutual TRP Retirement announced its intention to close by the end of 2025, resulting in a Process downgrade to Low from High.

Target-Date Fees Reached New Lows in 2024



Target-Date Funds Have Become More Aggressive



Gold-Rated Target-Date Strategies

Target-Date Series	Mutual Fund	CIT
BlackRock LifePath Dynamic		Gold
BlackRock LifePath Index	Gold	Gold
Capital Group Target Date Retire. Blend		Gold
Capital American Funds Target Date Retire.	Gold	Gold
Fidelity Freedom Index	Gold	Gold
iShares LifePath Target Date ETF	Gold	
T. Rowe Price Retirement	Gold	Gold
T. Rowe Price Retirement Blend	Gold	Gold
Vanguard Target Retire		Gold

Source: Morningstar Direct, author's calculations, and surveyed data. Data as of Dec. 31, 2024.

The Target-Date Experiment Has Delivered (So Far)

Good government policy combined with reasonable academic theory has made for real-world success for investors.

The Trust Put Into Target-Date Funds Has Been Largely Theoretical. Even So, They Have Thrived.

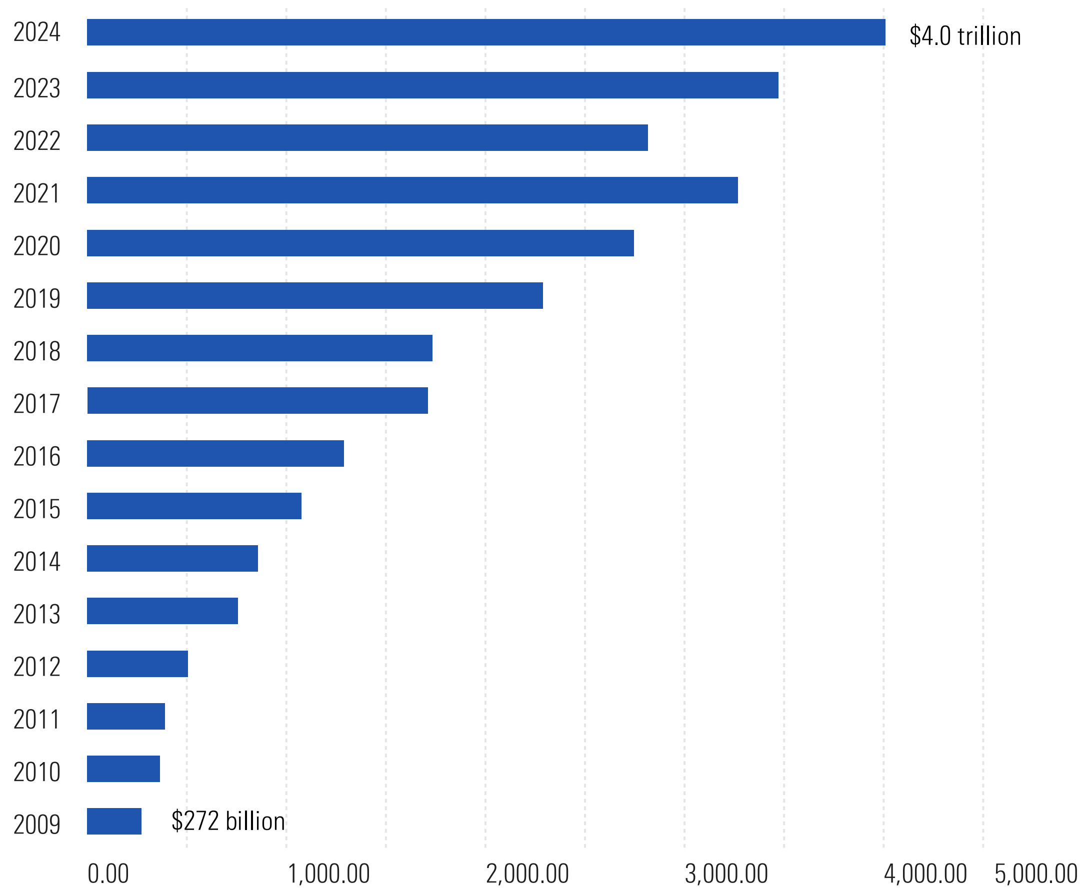
Target-date funds accounted for more than $4 trillion[1] in assets across mutual fund and CIT vehicles as of the end of 2024. Between inflows and market appreciation, assets have climbed at an astounding compounded rate of more than 30% annualized over the past 15 years. However, they weren't always the obvious investment of choice among retirement investors. That took the doing of the US Department of Labor's late-2007 finalization of regulations allowing target-date funds to be qualified default investment alternatives in retirement savings plans, providing employers and fiduciaries a valuable liability shield—a compelling incentive—for plans to default employees' 401(k) retirement savings into target-date funds.

To a large extent, the trust put into target-date funds was taken as an article of theoretical faith. It makes conceptual sense that investments like these, which change their allocation over time commensurately with workers' investment time horizons and expected changes in assets, liabilities, and cash flows, should be an appropriate all-in-one investment for most savers. But there were scant few investment offerings—certainly no target-date funds with sufficiently long, multidecade track records that could demonstrate real-life success. Instead, asset managers, investment consultants, and research houses like Morningstar Manager Research used statistical models to project the likelihood of success to justify the use of target-date funds.

[1]Human brains are bad at processing big numbers. [Big numbers break our brains](). Analogies can help, so before the reader breezes past the $4 trillion figure, it might be helpful to consider that if this figure were a GDP-producing country, it would rank in the world's top five economies, behind just the US, China, Germany, and Japan, and ahead of the likes of India, the UK, France, and Italy.

Target-Date Assets Have Grown More Than 30% Annualized Over the Past 15 Years

$ in billions



Investors in Target-Date 2025 Funds Reached an Important Milestone in 2025: Their Retirement Year!

37 Target-Date 2025 Funds Have at Least 15 Years of Track Record Through 2024

Includes oldest share class for mutual funds and CITs

American Century One Choice 2025 I	Nuveen Lifecycle 2025 Retirement
American Funds 2025 Trgt Date Retire R5	Nuveen Lifecycle Index 2025 R6
BlackRock LifePath® Idx 2025 Fund CL 35	Principal LifeTime 2025 Institutional
Callan GlidePath® 2025 Fund CL MO	Principal LifeTime Hybrid 2025 CIT Z
Empower Lifetime 2025 Inv	Putnam Retirement Advantage 2025: XA
Fidelity Advisor Freedom 2025 I	Putnam Sustainable Retirement 2025 Y
Fidelity Advisor Managed Retrmt 2025 I	Schwab Indexed Retirement Tr Fd 2025 I
Fidelity Freedom 2025	Schwab Managed Retirement Tr Fd 2025 I
Fidelity Freedom Blend 2025 Cmgld Pool T	Schwab Target 2025
Fidelity Freedom Index 2025 Cmgld Pool Y	SEI Target Date 2025 Fund CT-1
Fidelity Freedom Index 2025 Investor	State St Target Ret 2025 NL Cl A
Franklin LifeSmart 2025 Ret TrgtAdv	State St Target Ret 2025 SL Cl I
GuideStone Funds MyDestination 2025 Inv	T. Rowe Price Ret Hybrid 2025 Tr-T5
JHancock Multimanager 2025 Lifetime 1	T. Rowe Price Retirement 2025
JPMCB SmartRetirement® DRE 2025 Fd-CF	Vanguard Target Retire 2025 Trust I
JPMorgan SmartRetirement® 2025 R5	Vanguard Target Retirement 2025 Fund
MissionSquare Retirement Target 2025 R5	Voya Index Solution 2025 Port I
MoA Clear Passage 2025 Fund	Voya Solution 2025 Port I
Nationwide Destination 2025 R6	

Source: Morningstar Direct, author's calculations, and surveyed data. Data as of Dec. 31, 2024.

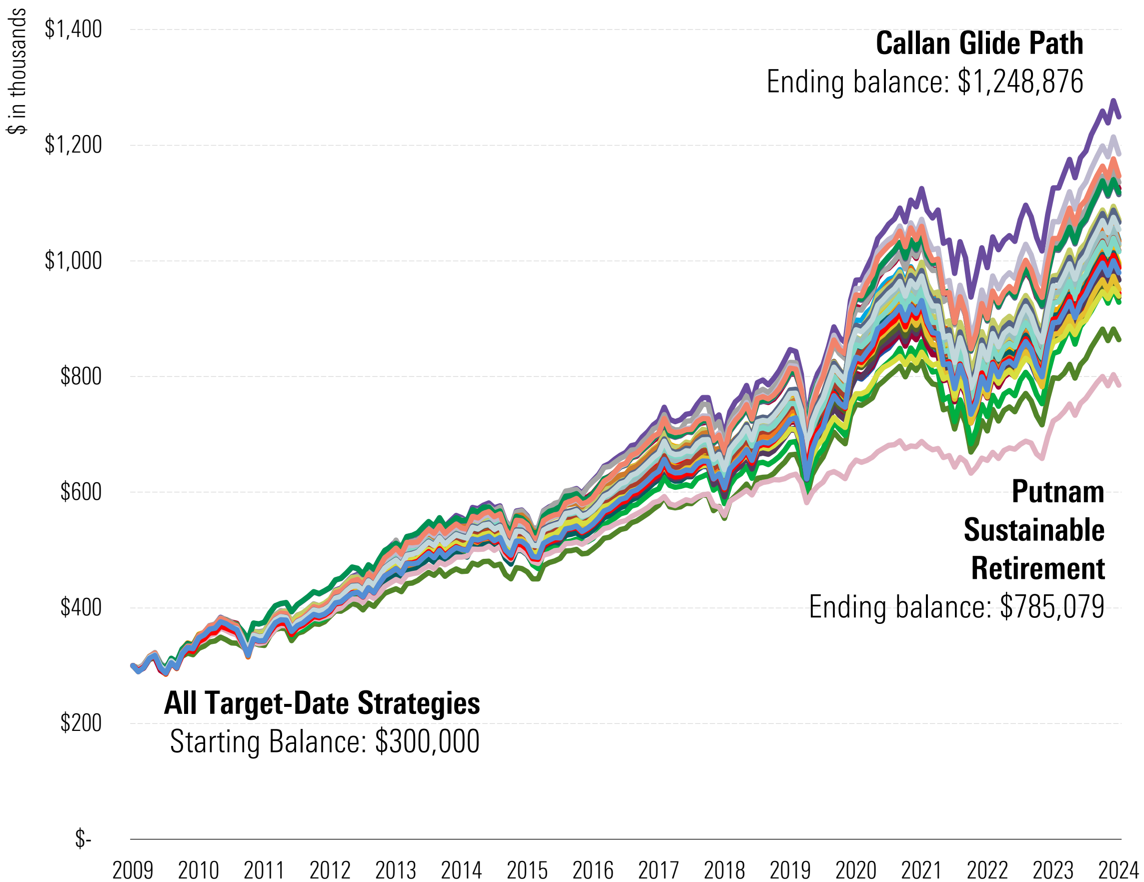
Since then, cohorts of investors in target-date 2000 through 2020 funds have seen their target-retirement year come and go. Workers invested in target-date retirement 2025 funds, though, were among the first to use target-date funds in notable mass. They have also made it to a major milestone in 2025, as they have now reached their expected retirement year. These investors were about 50 years old in 2010 and are or will be at a common retirement age of 65 in 2025. This has allowed many of them to experience a full 15-year cycle of regularly investing in a target-date fund, including the effects of dollar-cost averaging that comes with regularly setting aside a portion of a paycheck into a retirement savings plan. We looked at how those investors are now likely doing, including how close they are to achieving a secure retirement. Morningstar data includes 37 target-date 2025 mutual funds or CIT funds with at least 15 years of returns through the end of 2024.

To measure success, we went back to some of the scenario tests that we used in 2010 to justify the use of target-date funds, pulling out what a typical 50- year-old would have been facing at the time. In our models, that person had already been in the workforce for almost 30 years, made about $75,000 in annual compensation that kept up with an annual expected inflation rate of 2%, saved 7% per year, and had a retirement nest egg of about $300,000. While this balance may seem large given reports from large recordkeepers of sub-$200,000 average balances for 50-year-old workers, the typical investor also has multiple 401(k)s and similar savings plans. The 2024 American Express Personal Economy Survey reports that more than a third of individuals have three or more retirement accounts.

Target-Date 2025 Funds Have Exceeded Expectations.

37 Target-Date 2025 Funds Have at Least 15 Years of Track Record Through 2024

Includes oldest share class for mutual funds and CITs



Owing largely to a market that has charged steadily upward over this time, even with major drawdowns along the way, workers invested in 2025 target-date funds since they took off in the years following the DOL fiduciary guidance and now retiring in 2025 have fared well. This graph shows how balances would have grown over time under each of the 37 strategies over the 15 years from 2010 to the beginning of 2025.

The actual returns produced by this group of target-date funds have handily outpaced expectations from the target-date investing models commonly used around 2010, resulting in higher balances than our models were predicting in 2010. Using Morningstar Investment Management's capital market expectations from that year, our models expected the industry average glide path to gain an annualized 6.3% over the past 15 years. In actuality, the 37 target-date strategies returned an average of 7.3% annualized.

As a result, for example, the bottom-performing series in the group of 37 had an ending balance of $785,079. This is close to our expectation for what the median investor would have achieved when we ran these models in 2010. Combined with the expected income from Social Security, an investor retiring in 2025 who had steadily invested in the 2025 fund over the last 15 years would have savings that would be expected to adequately support them throughout retirement at an income level similar to what they had in their working years.

Source: Morningstar Direct, author's calculations, and surveyed data. Data as of Dec. 31, 2024.

Target-Date Funds Have Emerged From 2025's First-Quarter Market Tumult Relatively Unscathed.

That's even the case considering the market volatility and losses that have occurred so far in 2025. From the market's 2025 peak on Feb. 19 through its trough on April 8, the S&P 500 lost 18.6%. Over that period, the target-date 2025 Morningstar Category average lost 7.6%. Markets have since rebounded, and year-to-date losses for the S&P 500 through April 15, 2025, stand at 8.3% versus a loss of 1.3% for the typical target-date 2025 fund.

Newly minted 2025 retirees were put through the paces during this period of volatility, likely exacerbated for many by their new reality of no longer being able to rely on a regular, predictable paycheck. But in the larger multidecade investing picture, the period amounted to a blip. Investors who stayed the course with their target-date 2025 funds remained on track for a secure retirement.

The 2025 funds' resilience through short-term market turbulence underscores the value of the long-term, disciplined investment approaches inherent in target-date strategies.

Target-Date Fund and Benchmark Performance

Fund/ Index Name	15-year ann. return, through Dec. 31, 2024	Year-to-date return, through Apr. 15, 2025	2025 peak-to-trough return, Feb. 20, 2025 - Apr. 8, 2025
Top performer			
Callan Glidepath 2025	9.06%	-2.35%	-9.35%
Median performer			
JPMCB SmartRetirement DRE 2025	7.16%	-1.22%	-6.89%
Bottom performer			
Putnam Sustainable Retirement 2025	5.34%	-2.20%	-6.51%
US Fund Target-Date 2025 Category	6.56%	-1.28%	-7.56%
S&P 500 Index	13.80%	-8.28%	-18.55%
Bloomberg US Aggregate Bond Index	2.36%	1.76%	1.16%

Source: Morningstar Direct and author's calculations. Data as of April 15, 2025

Assets, Flows, and Product Development

Target-date funds reached new asset highs in 2024.

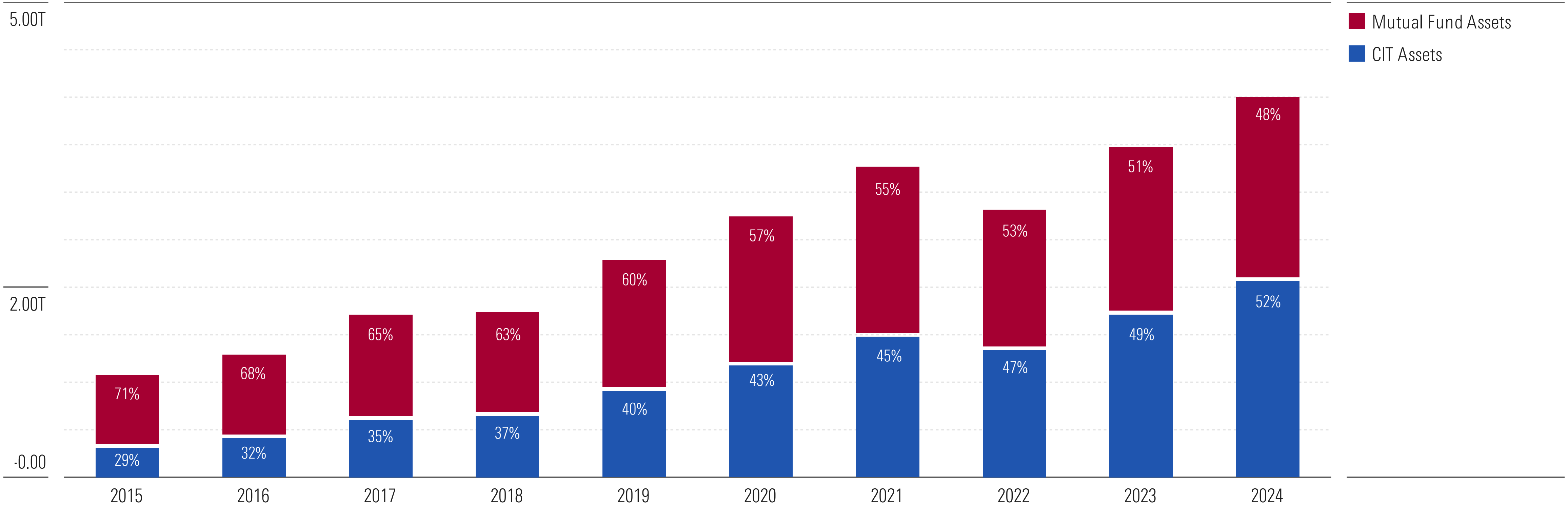
Target-Date Fund Assets Reached an Astounding $4 Trillion in Assets in 2024. CITs Took the Target-Date Crown.

The overall target-date market saw steady growth in 2024, reaching new highs of $4 trillion in assets. If target-date funds were a country's GDP, it would be the fifth-largest in the world, ranking behind the US, China, Germany, and Japan.

Target-date CITs have been steadily gaining market share over their mutual fund counterparts over the past decade. They took over as the most used vehicle in mid-2024 and accounted for 52% of assets at the end of the year.

Target-Date CIT and Mutual Fund Assets Continue to Grow at a Steady Pace, Reaching $4 Trillion in Assets at the End of 2024

Annual mutual fund and CIT target-date assets



Source: Morningstar Direct and surveyed data. Totals do not include custom target-date strategies. Data as of Dec. 31, 2024.

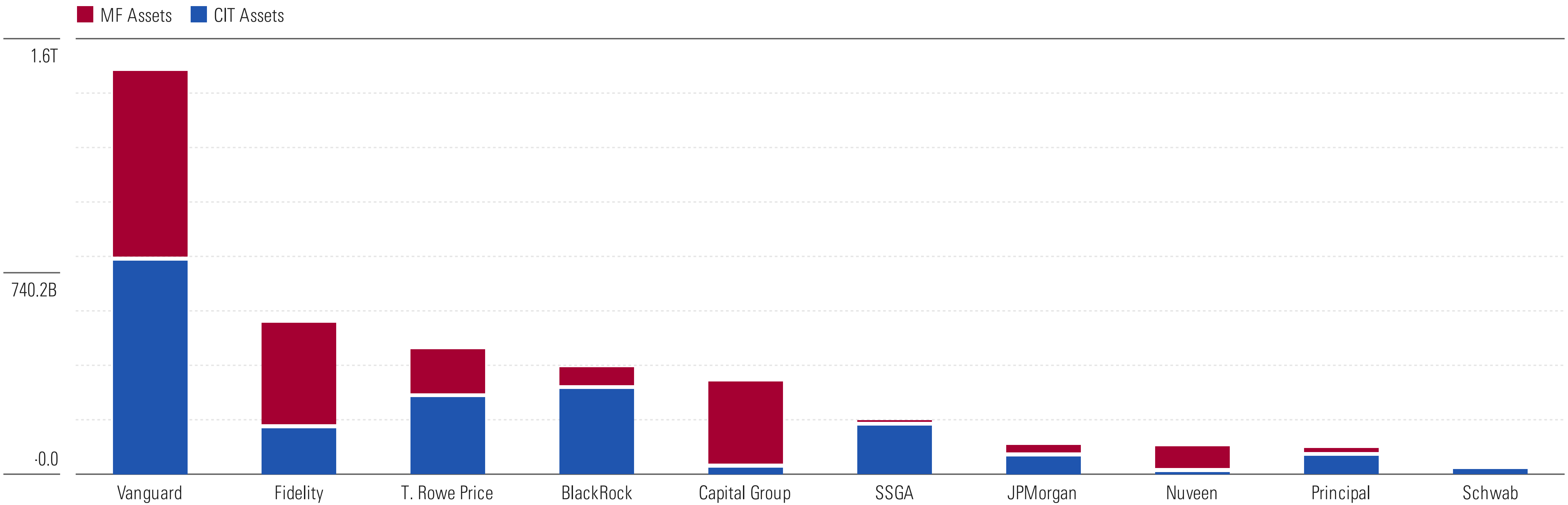
Vanguard Remains King Among Target-Date Asset Managers.

The target-date landscape remains a lopsided one, with assets concentrated in all but a handful of firms. For the past 10 years running, Vanguard remains top among the group, with assets more than double that of its next largest competitor, Fidelity.

It has done so with a svelte lineup, too, with just a single mutual fund and single CIT series, both index-based. Fidelity, in contrast, has eight across its mutual fund lineup alone.

In a Top-Heavy Industry, Vanguard's Target-Date Assets Are More Than Double That of Its Next-Largest Competitor

Mutual fund and CIT target-date assets as of December 2024



Source: Morningstar Direct and surveyed data. Data as of Dec. 31, 2024.

Target-Date Asset Managers Jostle for Dominance Among Their Dukedoms.

The target-date industry is a concentrated one. The top five asset managers account for more than 80% of combined mutual fund and CIT assets. The remaining 19% of the market is split between more than three dozen asset managers.

Whether in mutual funds or CITs, Vanguard holds the top spot for target-date fund market share. BlackRock, more firmly established in the institutional investing and CIT space, rises to second place on CIT assets alone. State Street Global Advisors, also a business traditionally more focused on institutional offerings, makes it to the top five list of CIT target-date managers.

Within the mutual fund target-date arena, the asset manager behemoths more firmly ensconced with retail investors dominate, with the likes of Fidelity, Capital Group (via American Funds), and T. Rowe Price landing in the top five of mutual target-date managers. Nuveen also appears on the list, off the assets of the former TIAA-CREF target-date series recently rebranded to Nuveen.

Mutual Fund + CIT Assets TD Market Share

Vanguard	36.97%
Fidelity	13.89%
T. Rowe Price	11.46%
BlackRock	9.82%
Capital Group	8.48%
Remaining TDFs	19.38%

CIT Assets TD Market Share

Vanguard	38.03%
BlackRock	15.14%
T. Rowe Price	13.71%
SSGA	8.62%
Fidelity	8.18%
Remaining TDFs	16.33%

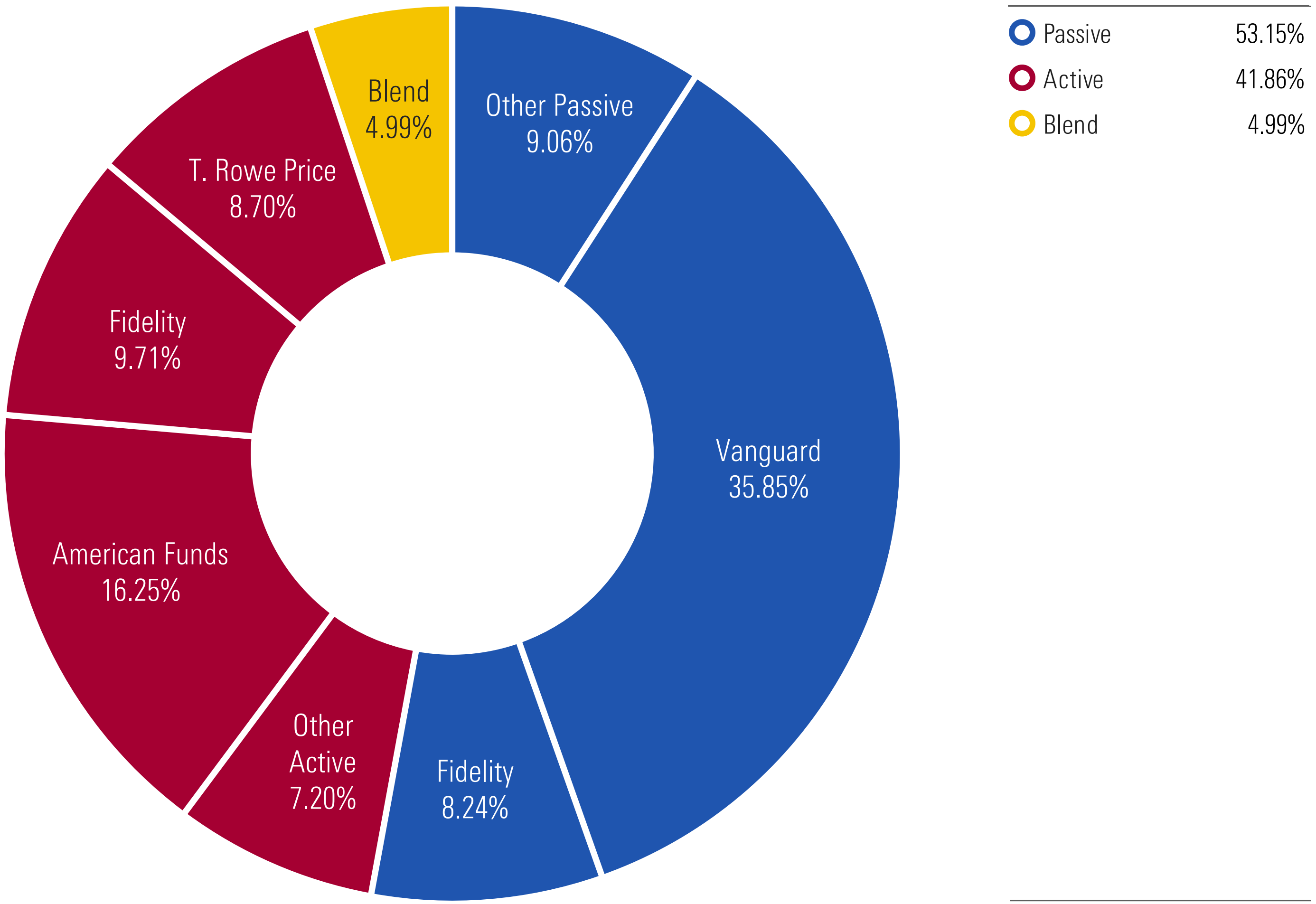
Mutual Fund Assets TD Market Share

Vanguard	35.85%
Fidelity	19.97%
Capital Group	16.25%
T. Rowe Price	9.08%
Nuveen	4.85%
Remaining TDFs	14.01%

Source: Morningstar Direct and surveyed data. Data as of Dec. 31, 2024.

Active-Based Target-Date Funds Have a Somewhat More Competitive Landscape Than Passive-Based Offerings.

Target-Date Mutual Fund Market Share by Passive, Active, and Blend Portfolio Construction



The top-heavy nature of the target-date fund industry is also apparent when dividing assets along target-date mutual funds constructed from passive-, active-, and blend-based underlying strategies.[2]

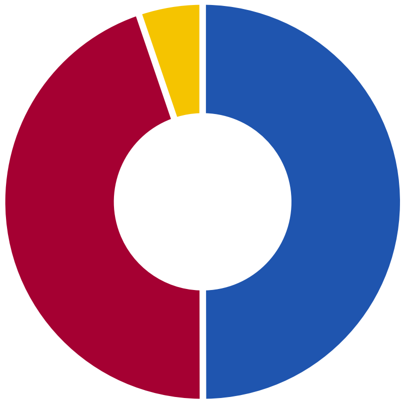
At 53% market share, index-based/passive series accounted for the majority of target-date mutual fund assets. The Vanguard Target Retirement series accounted for more than two thirds of that slice. Active-based series have somewhat more competition, though the top three managers—Capital Group/American Funds, Fidelity, and T. Rowe Price—still hold more than 80% of the active-based market.

[2]We consider all target-date series to be actively managed since portfolio managers make asset-allocation and glide path decisions. The terms active, passive, and blend used here refer to the target-date series' underlying holdings. We use the following guidelines to classify series as passive, active, or blend:

- **Passive:** 75% or more of a series' holdings are in index-based strategies
- **Active:** 25% or less of a series' underlying holdings are in index-based strategies
- **Blend:** Between 25% and 75% of a series' underlying holdings are in index-based strategies

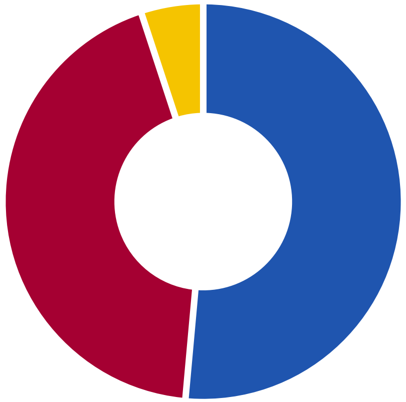
Passive and Blend Target-Date Funds Continue to Steal Market Share From Active Counterparts.

2022, TD Mutual Fund Assets by Construction



Passive	50.22%
Active	44.97%
Blend	4.81%

2023, TD Mutual Fund Assets by Construction



Passive	51.7%
Active	43.67%
Blend	4.63%

2024, TD Mutual Fund Assets by Construction

Passive	53.15%
Active	41.86%
Blend	4.99%

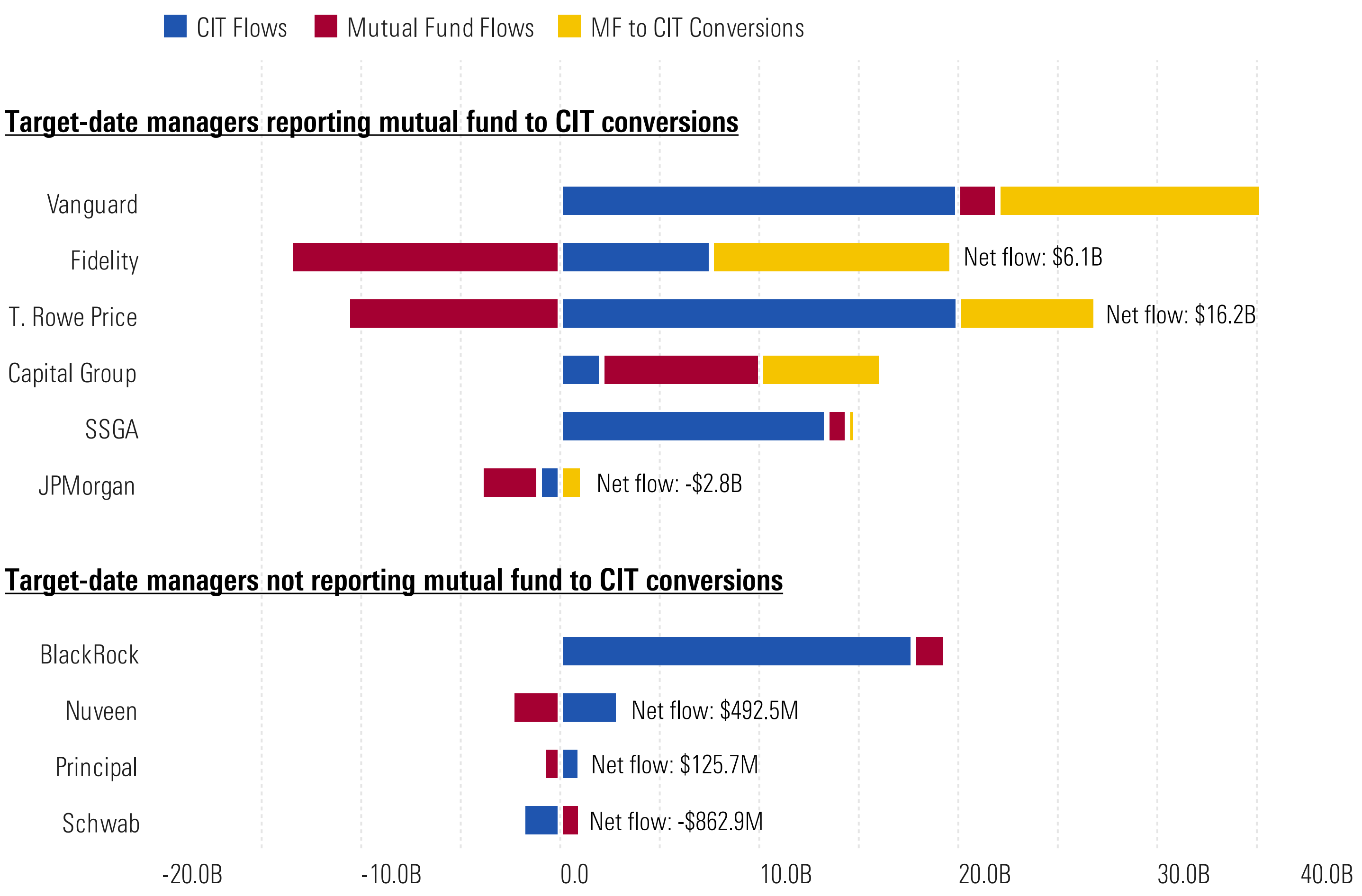
In 2024, investors continued their multiyear trend of favoring low-priced, index-based/passive offerings over active and blend alternatives. Passive target-date funds accounted for about half of mutual fund target-date assets in 2022 and have since grown to 53% of the market at the end of 2024.

Blend-based target-date funds have grown slightly, now accounting for about 5% of assets. Active-based target-date funds as a group have largely been the cohort ceding market share to passive target-date funds.

Source: Morningstar Direct and author's calculations. Data as of Dec. 31, 2024.

New Money Continues to Flow to Vanguard's Target-Date Mutual Fund and CIT Strategies.

2024 TD Manager Asset Flows, by Mutual Fund, CIT, and Mutual Fund to CIT Conversion Flows



Vanguard continues to be the winner in amassing new target-date fund assets, adding $35.1 billion in new money in 2024. Following not so closely behind were BlackRock with $19.2 billion and Capital Group/American Funds with $16.8 billion in new assets.

The accounting of target-date fund flows can be tricky, as retirement plan sponsors often stay with a given target-date investment strategy but move from a mutual fund vehicle to a presumably lower-priced CIT vehicle. We break out flows into those from mutual funds, CITs, and conversions from mutual funds to CITs.

Fidelity, for example, reported $12.1 billion in target-date mutual fund assets that transferred to CIT vehicles. The $13.4 billion in mutual fund outflows reported in Morningstar Direct's flows module, then, were actually $1.3 billion in net outflows to the firm. Combined with the $7.4 billion in new assets to Fidelity's target-date CITs, the firm had overall net new target-date flows of $6.1 billion in 2024.

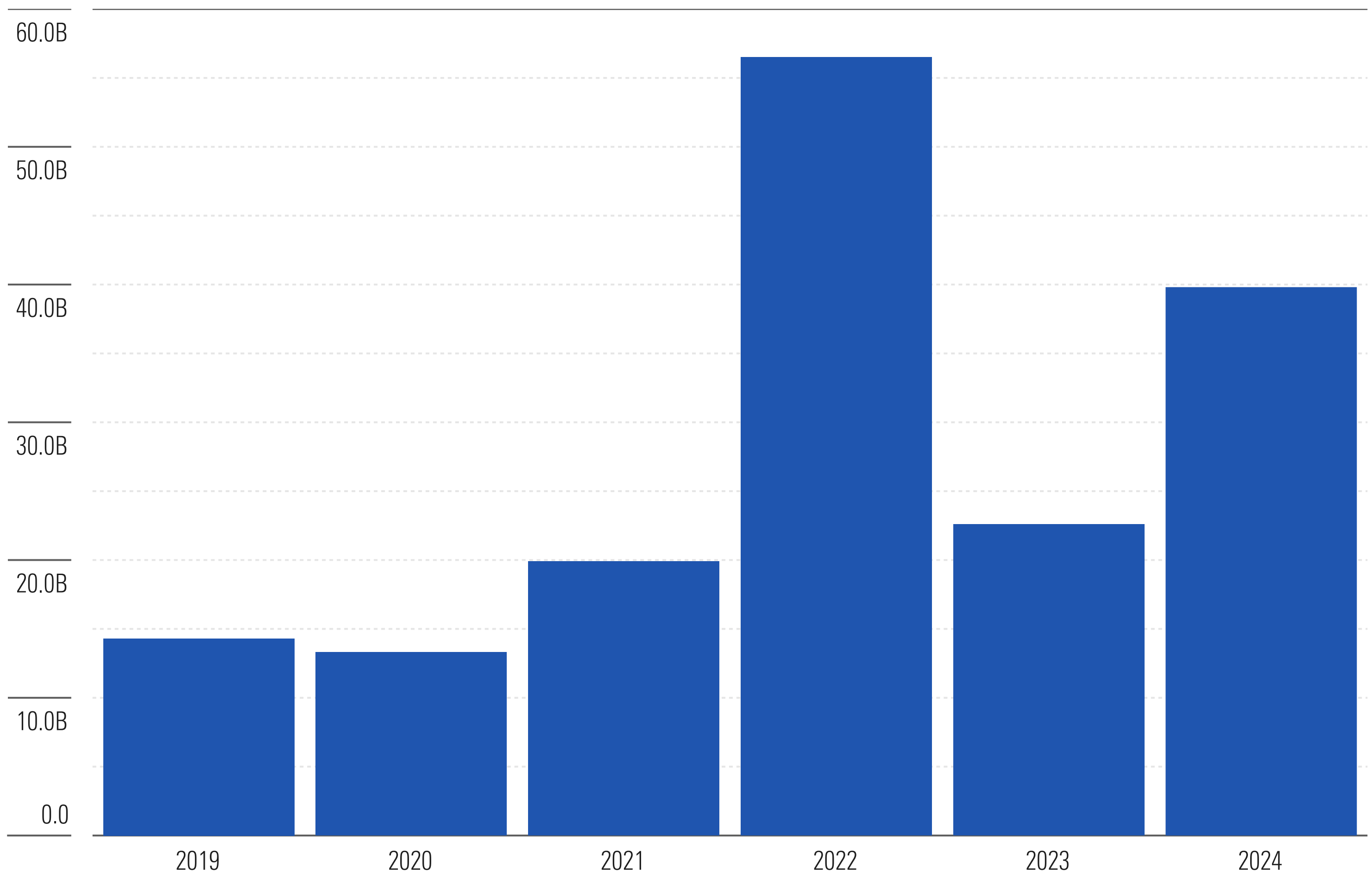
Source: Morningstar Direct, author's calculations, and surveyed data. Data as of Dec. 31, 2024.

Plan Sponsors and Investors Upped Conversions to CITs From Mutual Funds in 2024.

Plan sponsors will often choose to stay with a given target-date investment strategy but move retirement plan assets from a mutual fund vehicle to a CIT investment vehicle. While CITs don't enjoy the same level of transparency and data availability as mutual funds (they are not available on on sites like Morningstar.com, for instance), they usually come with lower fees.

In 2024, asset managers reported $39.8 billion in target-date fund conversions from mutual funds to CITs. This was an increase from 2023's $22.6 billion in conversions, though not as high as the $56.5 billion conversion peak seen in 2022.

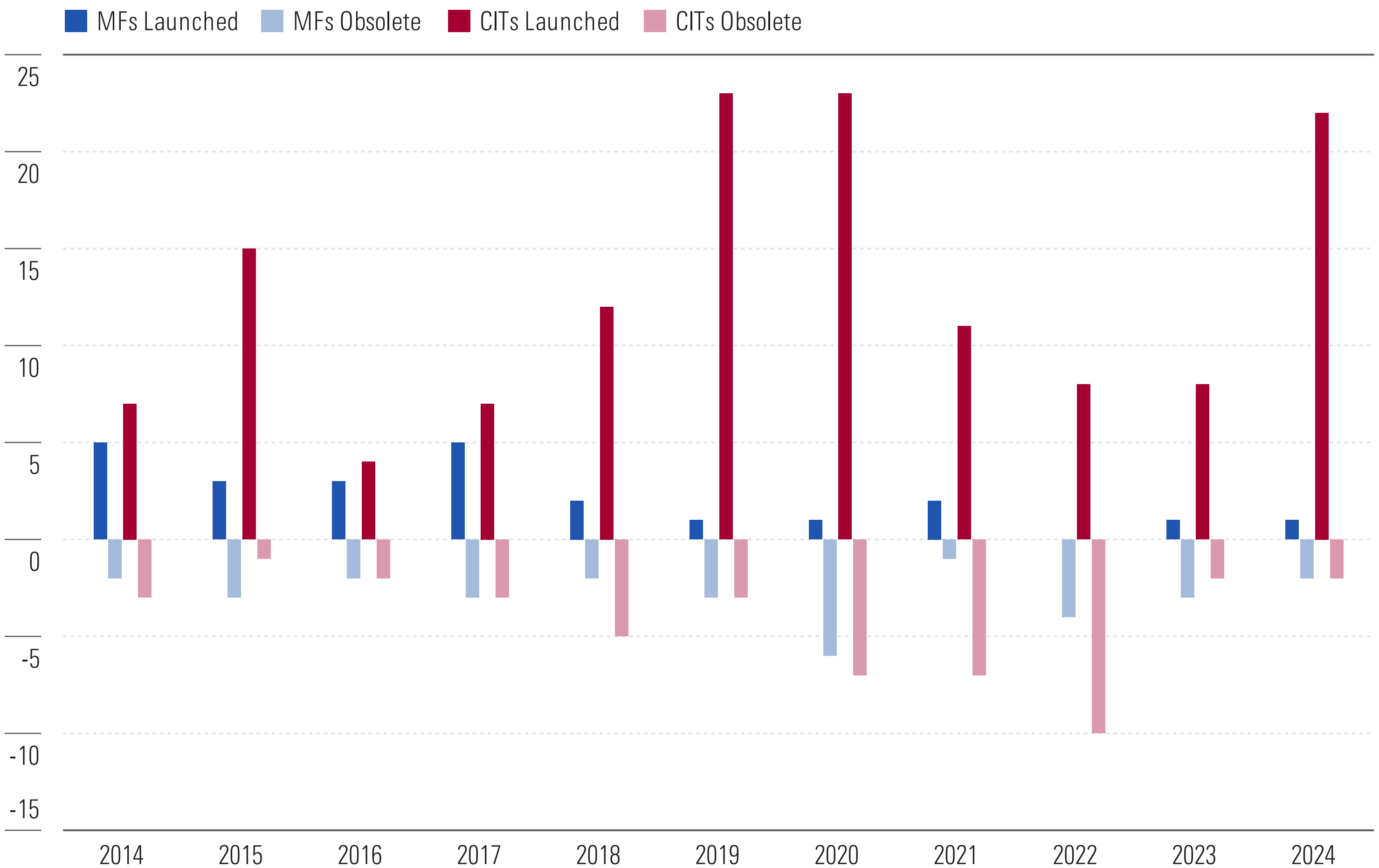
Mutual Fund to CIT Conversions



Source: Morningstar Direct and surveyed data. Data as of Dec. 31, 2024.

Product Launches for CITs Picked Up in 2024.

TD Launches and Closures, 2014-24



After a few years of waning activity, target-date product launches picked up in 2024, almost entirely on the CIT side.

Many of these 23 new series were of target-date providers launching their existing strategies under new CIT providers, like CITs from Capital Group and T. Rowe Price via Great Gray.

Some of the more notable new products were target-date funds with built-in annuities and other automatic income-paying options. These include CIT series like BlackRock LifePath PayCheck, NCIT American Funds Lifetime Income Builder, and Nuveen Lifecycle Income. On the mutual fund side, the lone series launch came from SP Funds, with its Shariah-compliant target-date funds that are structured to comply with Islamic law.

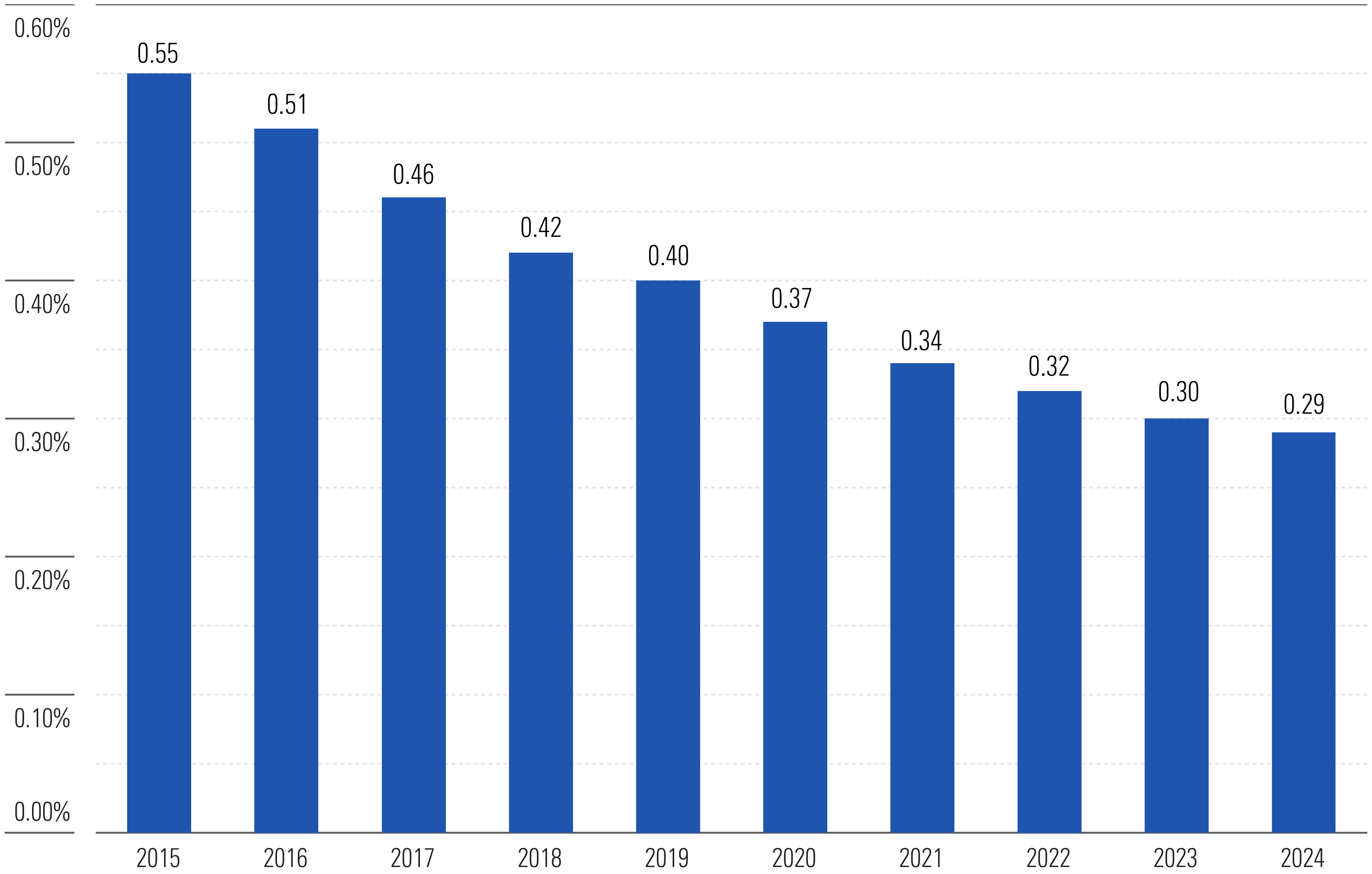
Source: Morningstar Direct. Data as of Dec. 31, 2024.

Fees

Target-date fund investors reach new lows in 2024.

Fees Remained on a Downward Trend and Reached New Lows in 2024.

Year-End Asset-Weighted Net Expense Ratios for TD Mutual Funds, 2015-24



Over the past decade, the asset-weighted average prospectus net expense ratio for target-date funds has declined by 48%. Investors have increasingly chosen lower-cost options, and investment firms have also reduced their fees. Lower fees translate directly into greater savings for investors.

The asset-weighted fee dropped to 29 basis points from 30 basis points in 2024.

CIT fee data isn't as transparent and therefore isn't included, but anecdotal evidence indicates CITs would lower the average asset-weighted fee.

Source: Morningstar Direct, author's calculations. Excludes zero-fee share classes and includes obsolete funds. Data as of Dec. 31, 2024.

Investors Prefer Lower-Cost Options.

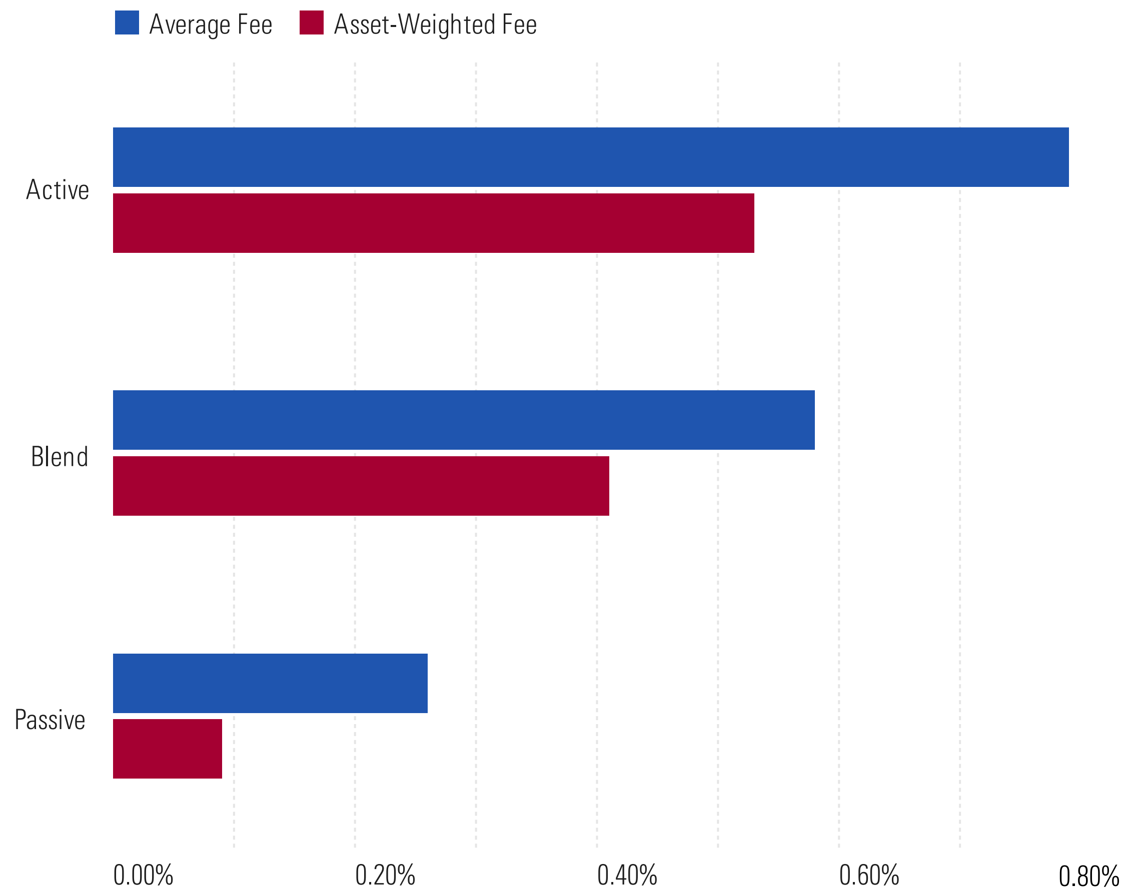
Target-date mutual fund portfolios that primarily hold index funds have lower costs than those with more actively managed exposure. Their average expense ratio of 0.26% is 53 basis points lower than that of active-based portfolios and 32 basis points lower than blended portfolios. These significant cost savings help explain why index-based target-date strategies have become increasingly popular.

Blended portfolios, which combine active and passive management strategies, have gained popularity among investors who prefer not to choose exclusively between active or passive strategies. However, they still represent only a small portion of the overall target-date market: They account for just 5% of assets compared with 53% for passive series and 42% for active series.

In all three categories (active, passive, and blend), the asset-weighted expense ratios are lower than the simple averages, indicating that investors consistently prefer the lower-cost options within each category.

Average and Asset-Weighted Fees, by Portfolio Construction

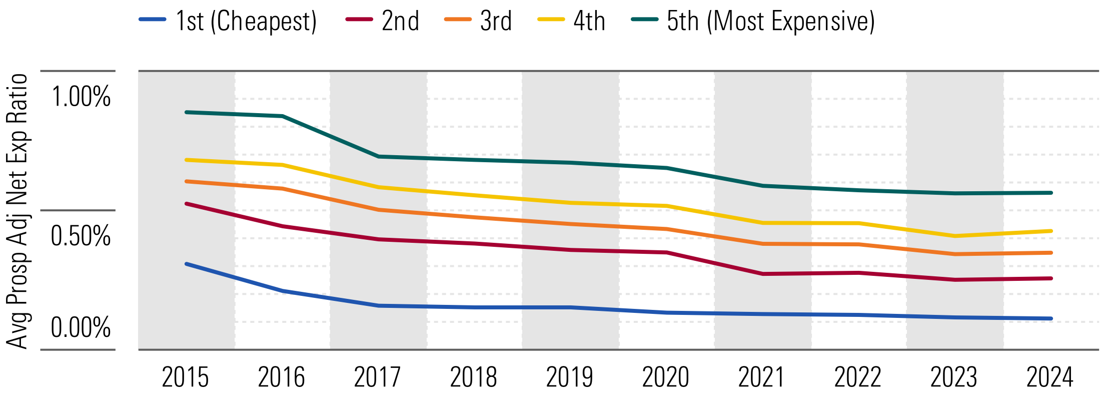
Based on mutual fund prospectus adjusted net expense ratio



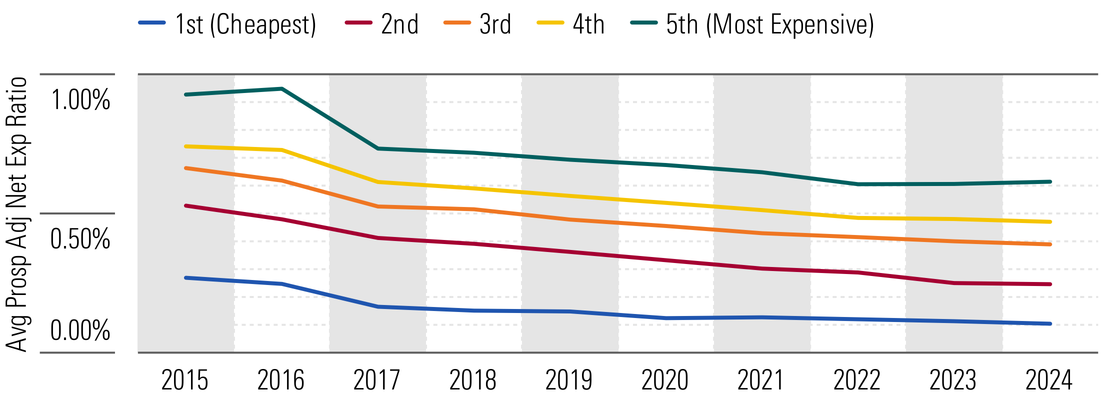
Source: Morningstar Direct, author's calculations. Data as of Dec. 31, 2024.

How Low Can Fees Go?

Average Year-End TD Fees by Quintile: 2025 TD Funds



Average Year-End TD Fees by Quintile: 2055 TD Funds



Fees for target-date mutual funds continued to decline in 2024, though at a slower pace compared with previous years. Over the decade ending December 2024, fees for the 2025 and 2055 funds dropped by 25 and 26 basis points, respectively, averaging around a 6% annual decrease. However, since 2020, the rate of decline has moderated, with these funds experiencing reductions of only 8 and 6 basis points, respectively—approximately 2% per year.

As the least expensive target-date funds approach their lowest feasible prices, their cost advantage over funds in the middle quintile has gradually diminished. A decade ago, the cheapest funds had a cost advantage of 30 basis points for 2025 funds and 39 basis points for 2055 funds. These advantages have since narrowed to 24 and 28 basis points, respectively.

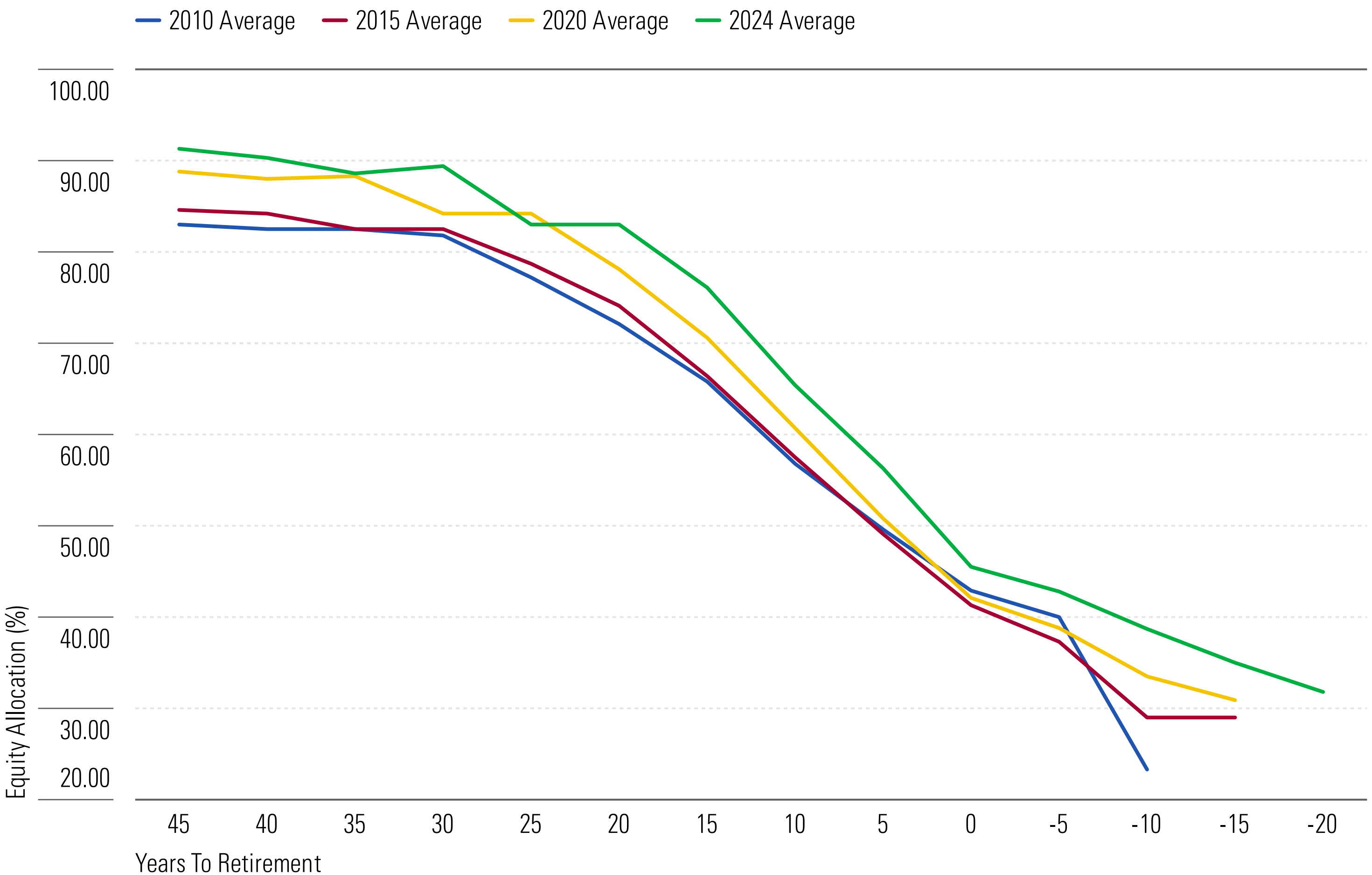
Source: Morningstar Direct, author's calculations. Data as of Dec. 31, 2024.

Evolution of the Asset Allocation Glide Path

Asset allocation glide paths for target-date funds have become more aggressive and more similar over time.

Asset Allocation Glide Paths Have Become More Aggressive.

Average Asset Allocation Glide Path Over Time



The average allocation to equities in the target-date universe has generally increased over the past 15 years across the glide path. Some factors that have played into this trend include:

- **Interest rates:** Low interest rates for much of the 2010s and early 2020s dampened bond yields and made them less attractive relative to stocks, which tend to thrive in low-rate environments.
- **Growth potential:** Equities should provide greater growth potential over longer periods compared with bonds. Higher allocations are suitable for younger investors, who can take on more risk and benefit from longer periods of growth and the effects of compounding.
- **Life expectancy:** While life expectancy in the US took a dip during the coronavirus pandemic, it has generally risen over time, meaning people are more at risk of outliving their assets. Equities should provide greater growth potential over longer periods compared with bonds.

Source: Morningstar Direct. Data as of Dec. 31, 2024.

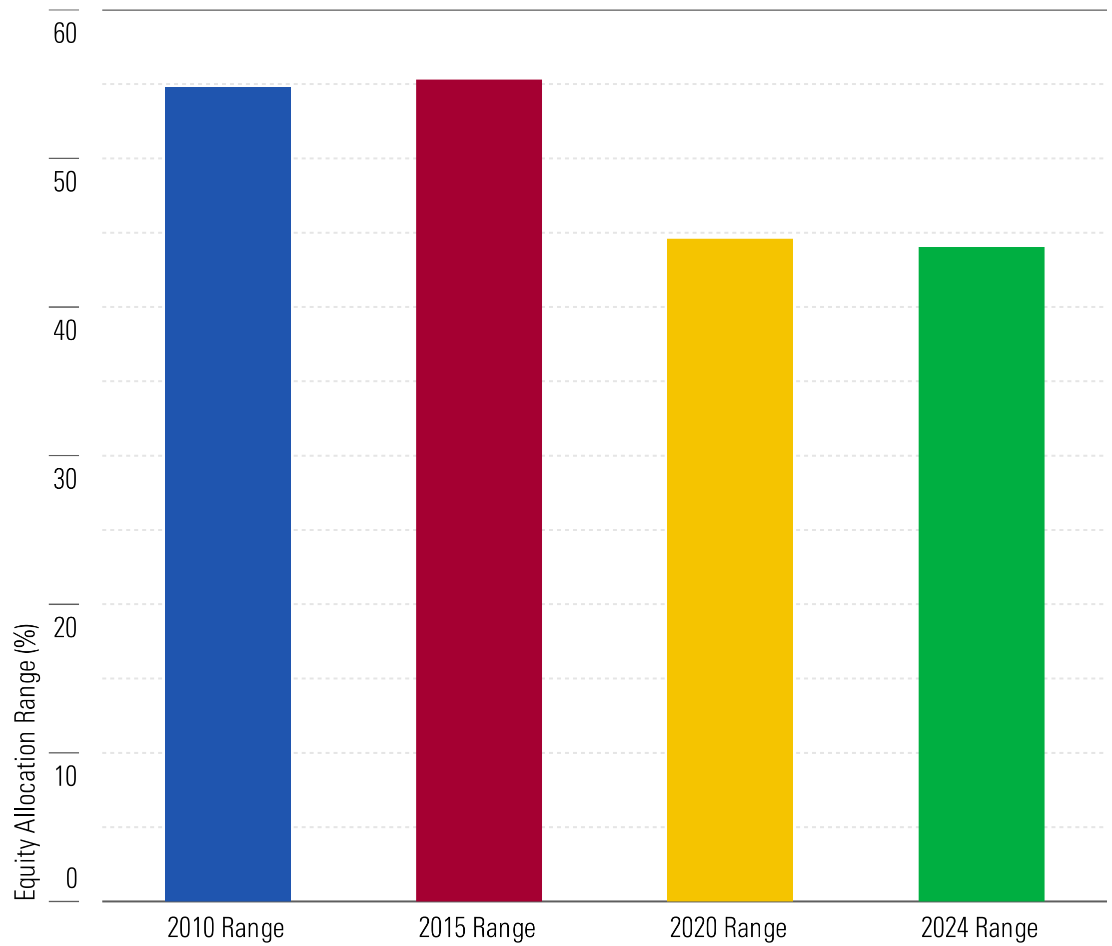
Target-Date Funds Are Becoming More Similar, as Differences Between the Least and Most Aggressive Funds Narrow.

The gap between the highest and lowest average equity allocation at each point along the asset allocation glide path has narrowed over the past 15 years, suggesting glide paths have become more similar over time. While change was minimal from 2010 to 2015, the gap narrowed from 2015 to 2020. The five years through the end of 2024 yielded a small narrowing.

The range has widened at the end of the glide path owing to equity allocations staying higher for longer. An increase in equity exposure has been particularly prevalent for workers just starting their careers, when they have the longest time horizon and can generally take on more risk.

With equity allocations rising, some more conservative target-date offerings may have become less appealing for investors and plan sponsors, causing them to liquidate. Target-date funds are supposed to be built for the average person, so a very differentiated offering may have a tougher time surviving. One such example is John Hancock's Preservation Blend series. It featured a glide path starting at 82% equity exposure before gradually falling to a notably low 8% allocation at retirement. This conservative strategy featured a steep glide path that led to rapid derisking. The series was around for nine years before liquidating in 2023.

Average Glide Path Ranges Through Time



Source: Morningstar Direct, author's calculations. Data as of Dec. 31, 2024.

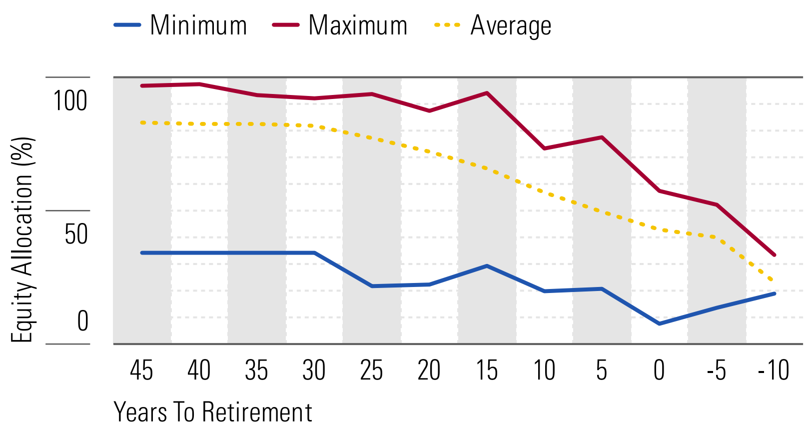
Equity Glide Path Ranges Have Narrowed Over Time.

Since 2010, the gap between the strategies with the highest equity allocation and the lowest equity allocation has shrunk, owing primarily to the lowest equity allocations increasing over time.

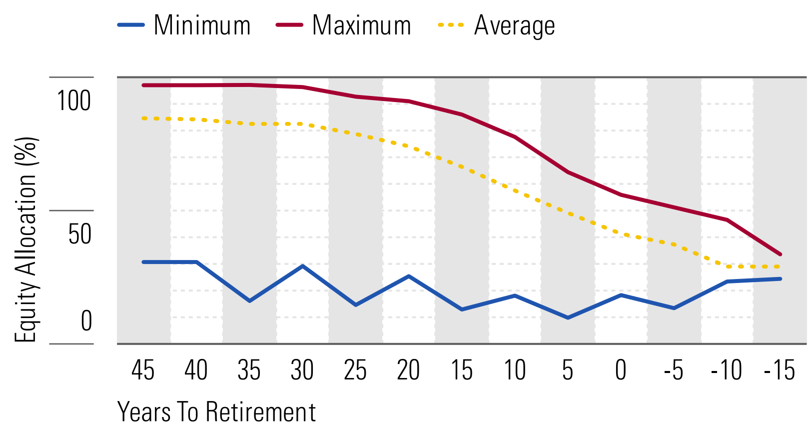
The lowest allocation line was fairly flat in 2010 and 2015 but steepened in 2020 and 2024 as equity allocations rose more in funds farther from retirement.

We looked at the equity glide path over time using data reported to Morningstar for target-date mutual fund and CIT series. The data includes both surviving and obsolete target-date series. Zig-zag patterns in the charts to the right are attributable to some series that may offer funds only in increments of 10 years rather than five years.

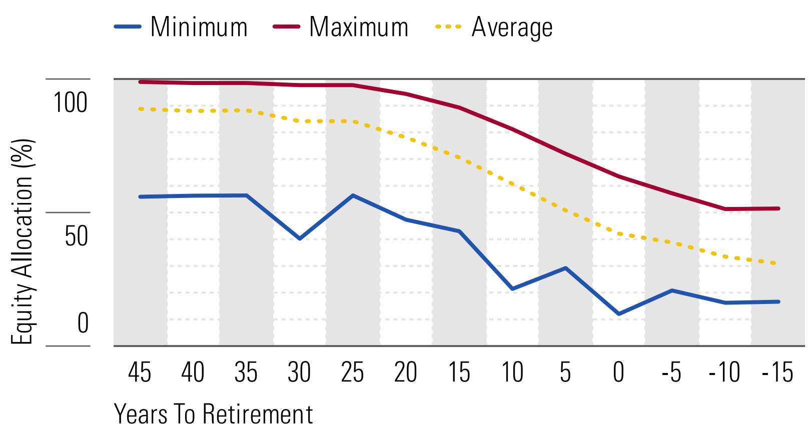
Minimum, Maximum, and Average Glide Paths–2010



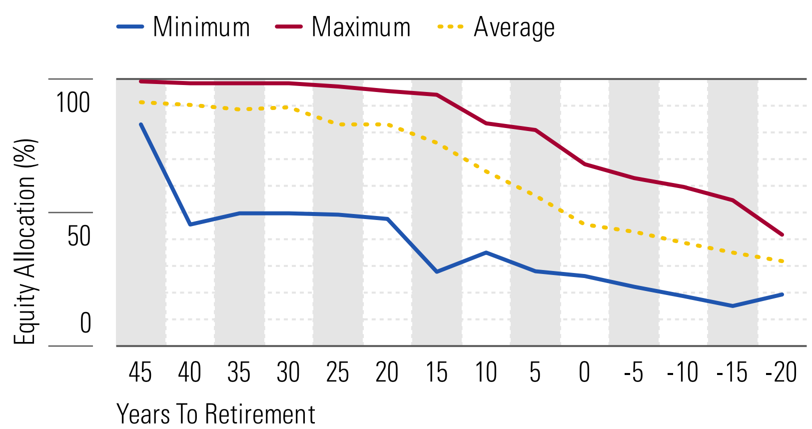
Minimum, Maximum, and Average Glide Paths–2015



Minimum, Maximum, and Average Glide Paths–2020



Minimum, Maximum, and Average Glide Paths–2024



Source: Morningstar Direct. Data as of Dec. 31, 2024.

Morningstar Medalist Ratings

Morningstar's top target-date fund picks.

Morningstar Medalist Ratings

The Morningstar Medalist Rating is a forward-looking rating assigned based on a strategy’s investment merits. The ratings range across Gold, Silver, Bronze, Neutral, and Negative. The highest ratings go to series that have the best chance to collectively outperform over a full market cycle on a risk-adjusted basis, net of fees.

- As of February 2025, Morningstar Manager Research analysts assign Medalist Ratings to 31 mutual fund target-date series and 26 CIT target-date series.
- The CIT series are mostly clones of their mutual fund counterparts. Target-date series from Manning & Napier and IndexSelect, though, are only available as CITs.
- The following slides feature the target-date series with 100% analyst coverage.

A number of Medalist Ratings for target-date series changed in 2024, mostly driven by a methodology change for Morningstar’s process for evaluating alpha opportunity for funds, a key component of our Morningstar Medalist Rating calculation. The change can increase the impact of higher fees, resulting in several downgraded Medalist Ratings for strategies with higher costs relative to peers. Three target-date mutual fund series experienced Pillar rating changes, and those strategies were also affected by the enhanced alpha evaluation process.

The following highlights series newly under analyst coverage or those that have seen recent changes to their pillar ratings:

- The recently launched iShares LifePath Target Date ETF series debuted with a Medalist Rating of Gold in December 2024. This series is the only target-date strategy offered in an exchange-traded vehicle for US investors. It enjoys many of the hallmarks of the firm’s well-regarded flagship series, BlackRock LifePath Index.
- BlackRock LifePath Dynamic received a Process Pillar upgrade to High from Above Average in January 2025. The combination of strong glide path design and successful execution of opportunistic shifts based on the team’s research increased conviction. The Medalist Rating for the series’ K share class remained at Silver. The CIT version of the series was newly brought under coverage in March 2025, with the cheapest share class debuting with a Medalist Rating of Gold.
- John Hancock Multimanager Lifetime series received a downgrade of its Process Pillar to Below Average from Average in March 2024. Decreasing conviction in the approach is driven by the complexity of the strategy stemming from tactical shifts and the use of direct holdings requiring additional attention, paired with asset allocation processes that resulted in increased exposures to more volatile market segments. The strategy was also affected by the alpha evaluation enhancement. As a result, its Medalist Rating was downgraded to Negative from Neutral.
- In February 2025, MassMutual announced its intention to liquidate the MassMutual Select T. Rowe Price Retirement series. As the strategy enters the liquidation phase, the managers' priority shifts from executing the process as intended. As a result, we no longer have confidence in the strategy's ability to provide competitive returns with peers. We downgraded its Process rating to Low from High, resulting in a Medalist Rating downgrade to Neutral from Bronze.

Morningstar Medalist Ratings – Mutual Funds and ETFs

Morningstar Medalist Ratings for target-date mutual funds and ETFs, analyst covered

Target Date Series	Morningstar Medalist Rating	Pillar Rating ↑ Upgrades ↓ Downgrades		
		People	Process	Parent
BlackRock LifePath Index	Gold	High	Above Average	Above Average
Capital American Target Date Retirement	Gold	High	High	High
Fidelity Freedom Index	Gold	High	Above Average	Above Average
iShares LifePath Target Date ETF	Gold	High	Above Average	Above Average
T. Rowe Price Retirement	Gold	High	High	High
T. Rowe Price Retirement Blend	Gold	High	High	High
BlackRock LifePath Dynamic	Silver	High	High ↑	Above Average
Fidelity Freedom Blend	Silver	High	Above Average	Above Average
PIMCO RealPath Blend	Silver ↓	High	Above Average	Above Average
State Street Target Retirement	Silver	Above Average	Above Average	Above Average
Vanguard Target Retirement	Silver	Above Average	Above Average	High
Fidelity Advisor Freedom	Bronze ↓	High	Above Average	Above Average
Fidelity Freedom	Bronze ↓	High	Above Average	Above Average
JPM SmartRetirement	Bronze	Above Average	Above Average	Above Average
JPMorgan SmartRetirement Blend	Bronze ↓	Above Average	Above Average	Above Average
MFS Lifetime	Bronze	Above Average	Above Average	High
Nuveen Lifecycle Index	Bronze	Average	Above Average	Average
Schwab Target Index	Bronze	Above Average	Average	Above Average
Voya Index Solution	Bronze	Average	Above Average	Average

Source: Morningstar Direct, Data as of Mar. 31, 2025

Morningstar Medalist Ratings – Mutual Funds and ETFs (continued)

Morningstar Medalist Ratings for target-date mutual funds and ETFs, analyst covered

Target Date Series	Morningstar Medalist Rating	Pillar Rating ↑ Upgrades ↓ Downgrades		
		People	**Process**	**Parent**
American Century One Choice	**Neutral**	Average	Average	Average
Dimensional Tgt Date Ret Inc	**Neutral**	Average	Average	High
JHancock Lifetime Blend Ptf	**Neutral**	Average	Average	Above Average
JHancock Multimanager Lifetime	**Neutral**	Average	Below Average ↓	Above Average
MassMutual Select TRP Retirement	**Neutral** ↓	High	Low ↓	Average
Natixis Target Retirement	**Neutral**	Average	Average	Average
Nuveen Lifecycle	**Neutral**	Average	Average	Average
Principal LifeTime	**Neutral**	Average	Average	Average
Principal Lifetime Hybrid	**Neutral**	Average	Average	Average
Schwab Target	**Neutral**	Average	Average	Above Average
Voya Solution	**Neutral**	Average	Average	Average

Morningstar Medalist Ratings – Collective Investment Trusts

Morningstar Medalist Ratings for target-date collective investment trusts, analyst covered

Pillar Rating ↑ Upgrades ↓ Downgrades (no changes)

Target Date Series	Morningstar Medalist Rating	People	Process	Parent
BlackRock LifePath Dynamic	Gold	High	High	Above Average
BlackRock LifePath Index Lendable & Non-Lendable	Gold	High	Above Average	Above Average
BlackRock LifePath Index Lendable & Non-Lendable (Great Gray)	Gold	High	Above Average	Average
Capital Group Target Date Retirement	Gold	High	High	High
Capital Group Target Date Retirement Blend	Gold	High	High	High
Fidelity Freedom Index Commingled Pool	Gold	High	Above Average	Above Average
T Rowe Price Retirement	Gold	High	High	High
T Rowe Price Retirement Blend	Gold	High	High	High
Vanguard Target Retirement	Gold	Above Average	Above Average	High
Fidelity Freedom Blend Commingled Pool	Silver	High	Above Average	Above Average
JPMCB SmartRetirement Passive Blend	Silver	Above Average	Above Average	Above Average
SSgA Target Retire Lending & Non-Lending	Silver	Above Average	Above Average	Above Average
Fidelity Freedom Commingled Pool	Bronze	High	Above Average	Above Average
JPM SmartRetirement Income	Bronze	Above Average	Above Average	Above Average
Nuveen Lifecycle Index Target	Bronze	Average	Above Average	Average
Schwab Indexed Retirement Trust	Bronze	Above Average	Average	Above Average
American Century Target Date	Neutral	Average	Average	Average
John Hancock Lifetime Blend	Neutral	Average	Average	Above Average
Manning & Napier Retirement Target	Neutral	Average	Average	Average
Principal Lifetime Hybrid Target	Neutral	Average	Average	Average
Schwab Managed Retirement Trust	Neutral	Average	Average	Above Average
Voya Target Solution Trust	Neutral	Average	Average	Average

Source: Morningstar Direct, Data as of Mar. 31, 2025

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